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Report of the Special Committee on the Charter of the United Nations and on the strengthening of the role of the Organization

Implementation of provisions of the Charter related to assistance to third States affected by the application of sanctions

Report of the Secretary-General

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I. Introduction

1. At its fifty-second session, the General Assembly adopted, without a vote, resolution 52/162 of 15 December 1997, entitled "Implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions".

2. In the operative paragraphs of the resolution, the General Assembly, *inter alia*:

(a) Renewed its invitation to the Security Council to consider the establishment of further mechanisms or procedures, as appropriate, for consultations as early as possible under Article 50 of the Charter of the United Nations with third States that are or may be confronted with special economic problems arising from the carrying out of preventive or enforcement measures imposed by the Council under Chapter VII of the Charter, with regard to a solution of those problems, including appropriate ways and means for increasing the effectiveness of its methods and procedures applied in the consideration of requests by the affected States for assistance;

(b) Welcomed the further measures taken by the Security Council since the adoption of General Assembly resolution 50/51 and aimed at increasing the effectiveness and transparency of the sanctions committees, invited the Council to implement those measures, and strongly recommended that the Council continue its efforts to further enhance the functioning of those committees, streamline their working procedures and facilitate access to them by representatives of States that find themselves confronted with special economic problems arising from the carrying out of sanctions;

(c) Requested the Secretary-General to pursue implementation of the provisions of General Assembly resolution 50/51 related to the possible guidelines that might be adopted on technical procedures to be used by the appropriate parts of the Secretariat, and paragraphs 4 to 6 of resolution 51/208, and to continue, on a regular basis, to collate and coordinate information about international assistance available to third States affected by the implementation of sanctions, continue developing a possible methodology for assessing the adverse consequences actually incurred by third States and initiate action in order to explore innovative and practical measures of assistance to the affected third States;

(d) Endorsed the proposal of the Secretary-General that an ad hoc expert group meeting be convened in the first half of 1998 with a view to developing a possible methodology for assessing the consequences actually incurred by third States as a result of preventive or enforcement measures, with due regard to the particular problems and needs of developing countries confronted by the special economic problems arising from carrying out such measures, and exploring innovative and practical measures of assistance that could be provided by the relevant organizations both within and outside the United Nations system to the affected third States, the Secretary-General being requested to report on the results of the expert group meeting to the General Assembly at its fifty-third session;

(e) Reaffirmed the important role of the General Assembly, the Economic and Social Council and the Committee for Programme and Coordination in mobilizing and monitoring, as appropriate, the economic assistance efforts by the international community and the United Nations system to States confronted with special economic problems arising from the carrying out of preventive or enforcement measures imposed by the Security Council and, as appropriate, in identifying solutions to the special economic problems of those States;

(f) Invited the organizations of the United Nations system, international financial institutions, other international organizations, regional organizations and Member States to address more specifically and directly, where appropriate, special economic problems of third States affected by sanctions imposed under Chapter VII of the Charter, and for this purpose to consider improving procedures for consultations to maintain a constructive dialogue with such States, including through regular and frequent meetings, as well as, where appropriate, special meetings between the affected third States and the donor community, with the participation of United Nations agencies and other international organizations;

(g) Requested the Secretary-General to submit a report on the implementation of the resolution to the General Assembly at its fifty-third session.

3. The present report has been prepared in response to General Assembly resolution 52/162.

II. Measures for further improvement of procedures and working methods of the Security Council and its sanctions committees in the consideration of requests for assistance under Article 50 of the Charter of the United Nations

4. By a note addressed to the President of the Security Council dated 6 March 1998 (S/1998/203), the Secretary-General drew the attention of the members of the Security Council to General Assembly resolution 52/162, entitled "Implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions", in particular to its paragraph 1, which is reproduced in paragraph 2 (a) above.

III. Appropriate arrangements in the Secretariat for providing better information and early assessment for the Security Council and its organs about the actual or potential effects of sanctions on third States that invoke Article 50 of the Charter of the United Nations

5. The Secretary-General has taken due note of paragraph 3 of General Assembly resolution 52/162, which is reproduced in paragraph 2 (c) above. The Secretary-General reaffirms that the arrangements that were put in place in 1996 and reflected in paragraphs 4 to 11 of his previous report on the matter (A/51/317), as well as in paragraph 5 of his 1997 report (A/52/308), continue to apply.

IV. Summary of the deliberations and main findings of the ad hoc expert group meeting on developing a methodology for assessing the consequences incurred by third States as a result of preventive or enforcement measures and on exploring innovative and practical measures of international assistance to the affected third States

6. Pursuant to paragraph 4 of General Assembly resolution 52/162, the Department of Economic and Social Affairs of the Secretariat convened in New York from 24 to 26 June 1998 an ad hoc expert group meeting on the theme "Implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions". The purpose of the meeting was to solicit the views of internationally renowned experts on key substantive issues related to: (a) developing a possible methodology for assessing the consequences actually incurred by third States as a result of preventive or enforcement measures, with due regard to the particular problems and needs of developing countries confronted with the special economic problems arising from carrying out such measures; and (b) exploring innovative and practical measures of assistance that could be provided by the relevant organizations both within and outside the United Nations system to the affected third States.

7. The members of the expert group participating in their personal capacities were: Iwan J. Azis (Indonesia); Serhiy N. Berezovenko (Ukraine); David Cortright (United States of America); Tuğrul Çubukçu (Turkey); Hendrikus M. G. Denters (Netherlands); Margaret P. Doxey (Canada/United Kingdom); Leonardo Garnier Rímolo (Costa Rica); Gary Clyde Hufbauer (United States of America); Hisham Khatib (Jordan); Gheorghe-Ştefan Mihai (Romania); Germano M. Mwabu (Kenya); Cristian Ossa (Chile); and Arjun K. Sengupta (India), Chairman. Representatives of United Nations departments, programmes and specialized agencies concerned, as well as of other relevant international and regional organizations, were also invited to attend the meeting as observers.

8. The group had before it two working papers prepared for the meeting by consultants: "The incidental impact of sanctions on neighbouring countries: methodological notes", by Gary Clyde Hufbauer, and "Assistance to non-target

States affected by the application of multilateral economic sanctions: problems and proposals", by Margaret P. Doxey. As background documentation on the matter, pertinent resolutions of the General Assembly,[1] reports of the Secretary-General[2] and of the United Nations bodies concerned,[3] as well as special studies and publications on various aspects of the subject, were also made available at the meeting.

9. The deliberations and main findings of the expert group are summarized below.

A. Developing a possible methodology for assessing the consequences actually incurred by third States as a result of preventive or enforcement measures

10. The expert group considered basic approaches to developing a possible methodology for assessing the consequences actually incurred by third States as a result of preventive or enforcement measures, taking into account the particular problems and needs of developing countries confronted with the special economic problems arising from carrying out such measures. General conceptual frameworks for impact analysis, sources of hardship and typology of effects encountered by the affected third States, as well as applicable methods and procedures for evaluating the costs of implementing sanctions, were discussed at the meeting.

1. General conceptual framework

11. The expert group took note of the conceptual framework for identifying and assessing the effects of United Nations-imposed preventive or enforcement measures on third States, as outlined in the previous reports of the Secretary-General.[4] It was also appraised of the comments provided by other international organizations, in particular the international financial and trade institutions, on such assessments.[5] In this light, the group felt that any useful methodology for impact assessment should be related to the political purpose of imposing sanctions on the target State, the economic realities and particular situations of neighbouring and other countries that are most contiguous to the sanctioned State, and the need for international cooperation and mutual assistance in bearing the costs of implementing sanctions, in order to ensure their effectiveness and minimize collateral damage, particularly adverse effects on third States.

12. It was recognized that the actual impact of sanctions on individual third States and their policy options to cope with the ensuing economic effects may differ substantially from case to case, depending on the specific nature of the sanctions regime and the particular situation of the country in question, including the structure and intensity of its suspended links with the target State. Therefore, developing a general methodology for impact assessment would require addressing a complex of issues and procedures related to the identification and proper categorization of various effects, the selection of applicable methods for estimating the incurred losses and costs, and subsequently the design of feasible and practical measures of relief and international assistance. Once these essential and interrelated elements are examined, a common methodology in the form of general guidelines or modalities for action may be formulated, and if accepted may be applied on a case-by-case basis.

2. Sources of hardship

13. Based on experience of the practical application of Article 50 of the Charter of the United Nations, the expert group considered the main sources of hardship and the variety of adverse effects actually incurred by third States, in particular developing countries, as a result of imposing preventive or enforcement measures. In principle, a proper identification and categorization of effects is essential for any methodology of impact assessment aimed at focusing on observable and tangible facts that can be causally related to the sanctions regime. However, these effects can be grouped in different ways, as direct and indirect, trade and financial, economic and social, primary and secondary, temporary and long-lasting.[6] An illustration of various categories of effects is set out below.

14. In general economic terms, various types of losses and costs confronting third States may be classified into two broad categories: "direct" and "indirect" effects of sanctions. *Direct effects* are evaluated as the income foregone and losses incurred stemming directly from the cancellation of contracts and/or severance of economic relations with the target country. Examples include suspended sales or outstanding orders for contracted deliveries; interrupted shipments, payments or other transactions; and disrupted production of jointly operated facilities. In most cases, these adverse effects are related to the balance of payments on current account, particularly exports and imports in goods and services, but they may also refer to capital account activities, such as investment projects. On the other hand, *indirect effects*, which are largely the induced effects of the former, represent mainly the negative impact on domestic variables, i.e., output, investment, employment and the budget. They may include disrupted production due to the absence or higher cost of sanctioned supplies, suspended

financial inputs and services, foregone profit tax or tariff revenues, lost jobs or income and the ensuing increase in social expenditures. Indirect effects are obviously less susceptible to quantitative assessment, particularly in net values.

15. Depending on the nature of sanctions imposed on a target country, specific costs for third States associated with the balance of payments may be further grouped into external-sector categories: (a) those related to trade with the target country; (b) those related to financial links with the target country; and (c) other costs associated with special relationship with the target country (e.g., joint ventures). Sectoral categorization is made more difficult because of the enormous expansion of trade in services in recent years and a vast variety in the structure and intensity of links between senders and targets of sanctions. Nevertheless, identification of main sources of hardship in the trade and financial sectors may be particularly useful for the purpose of impact assessment.

16. Typically, *trade embargoes* entail forfeiture of foreign exchange earnings that may be badly needed to finance essential imports. On the export side, the incurred consequences may include undelivered regular merchandise exports with no alternative markets readily available (exports foregone); outstanding orders for contracted future delivery for which production is already in progress; and suspended sales of services to the target State (e.g., engineering or construction projects, activities in the areas of transportation, communication, maintenance and packaging). Similarly, losses on the import side may include undelivered regular merchandise imports, particularly if no alternative suppliers are available (imports foregone); lost or suspended imports on concessionary terms, especially at subsidized prices; outstanding orders for future imports for which payment has already been made; and terminated or suspended import of services.

17. *Financial difficulties* experienced by third States as a result of sanctions comprise those related to suspended capital flows, interrupted current transfers and overdue debt servicing. Examples include lost profits on investments or other income, such as remittances from migrant workers; confiscation, seizure or conversion of savings and assets (as possible countermeasures by the target); loss of concessionary loans, credits or grants; investment foregone; and tourist revenues foregone. Although lower interest receipts reduce foreign exchange earnings in the current period, unlike lost export receipts, these overdue payments can be capitalized and added to the affected country's foreign claims on the target State. However, unreceived payments on account of debt servicing by the target country may take the form of discontinued or suspended delivery of critical commodities (e.g., Iraq's outstanding foreign debt undertaken against future oil deliveries).

18. In estimating the economic effects of sanctions on third States, it should be noted that there may be *offsetting* factors in both trade and financial sectors. For instance, part of the exports intended for the target State may be absorbed by the domestic economy or redirected to other markets, and there may also be savings on interest, amortization and other payments owed to the target country when financial measures preclude their transfer. Therefore, export losses should be estimated net of the value of redirected exports and net of the cost of imports that the affected country would have used to produce the corresponding exports. Similarly, only incremental costs of obtaining replacement imports from other sources (given by the price or interest payments differential) should be included in the overall estimates. However, a proper assessment of the incremental impact would require a reliable baseline estimate of what would have happened in the absence of sanctions.

19. Apart from the economic effects of sanctions on third States, there may also be *social costs*, resulting, for instance, from the return of large numbers of migrant workers, the influx of refugees and the loss of employment or income, all of which would require additional public expenditures (e.g., to provide housing, health, education and other social services to the affected population groups) and might strain the social fabric, particularly in developing countries. In the longer term, diverting already limited and stretched resources from development objectives to cover sanctions-related costs in the affected developing countries would put an inordinate burden on their vulnerable economies, thus further constraining economic and social development.

20. In addition, a miscellany of *secondary effects* may stem from particular features of the sanctions regime, geographical factors and monitoring and enforcement requirements, thus affecting traditional economic interaction in the region. For example, the imposition of restrictions on transshipment through a target State that plays an important role in transport and communication links in the region would seriously impede the neighbouring countries' external economic relations not directly involving the target State. Thus, a specific feature of the Yugoslav sanctions regime was that the bulk of damages reported by the neighbouring countries were those related to transportation disruptions, including losses in exports (e.g., perishable agricultural products), additional expenses for or lower receipts from transport-related services and higher payments for imports owing to widespread rerouting and extensive delays at border-crossing points, as well as monitoring and

enforcement costs. Damages of this type are most difficult for an independent assessment.

3. Methods of impact assessment

21. Based on relevant special studies, the expert group reviewed a number of specific methods that may be applicable for assessing the incidental impact of multilateral economic sanctions on non-target States, including (a) time series analysis of balance of payments changes; (b) stratified sample survey of firms or other affected entities; (c) gravity model of bilateral trade flows; (d) regression equation of income shocks; and (e) analytic hierarchy process for perception surveys. The main features of these methods are summarized and analysed below.

Time series analysis of balance of payments changes[7]

22. In this method, expert observers examine time series data for traded goods and services and relevant financial flows before and after the imposition of sanctions with a view to assessing the direct effects of sanctions in reducing merchandise exports and imports, as well as financial transfers of the concerned third State. The result is an estimate of the impact of sanctions on the balance of payments, either in absolute or relative terms. In principle, the scope of the impact analysis can be expanded to estimate the indirect, second-round effects of sanctions on domestic variables, such as output, investment, employment and the budget. These estimates may be also subdivided by economic sector or branch of industry, agriculture and services.

23. In the process, several methodological and practical difficulties may arise, thus imparting a potential bias to the estimates. Typically, in assessing the overall welfare implications of sanctions, the main challenges to be addressed are: (a) how to separate the effects of sanctions from other factors causing economic hardship; (b) how to avoid double-counting of export, output and revenue losses; (c) how to net out redirected exports and the import component of lost production; and (d) how to estimate the incremental costs of acquiring the imports from other sources. In many cases, therefore, overcoming or minimizing these methodological limitations would require an assessment to focus primarily on the balance of payments impact of sanctions and associated external financing needs of an affected country. In addition, the availability of reliable and up-to-date macroeconomic data is essential for a credible effort to measure the effects of sanctions on third countries.

Stratified sample survey of firms

24. This method may only be feasible if the country in question possesses data on a recent census or comprehensive survey of firms (or other affected entities, e.g., households) conducted prior to the imposition of sanctions, so that it can identify a stratified random sample of firms (entities) to query regarding the impact of sanctions and establish the benchmark experience of firms (entities) prior to the sanctions episode. This is essential to avoid a potential bias from focusing on self-identified or officially noticed "wounded" firms (entities). Once the required data are obtained, the next step is to perform a regression analysis of post-sanction vs. pre-sanction firm (entity) performance expressed as a function of firm (entity) characteristics.

25. In the case of affected firms, the dependent variable is the change in firm performance represented by decline in either firm sales or employment since the imposition of sanctions. Firm characteristics suggested as explanatory variables may be classified into two groups: (a) those that reflect the degree of the firm's reliance on (or intensity of its interaction with) the target country, a notable example of which is the percentage of trade with the target country in the firm's total sales and purchases prior to the sanctions; and (b) those that reflect particular features of the third country's firm itself, e.g., firm size measured by its sales or number of employees. Large (low) values of the coefficients for firm characteristics in group (a) above (usually valued on a scale from 0 to 1) indicate a high (low) dependency of the firm on the target country, resulting in a corresponding decline in the firm's total sales or employment. On this basis, national losses or costs can be estimated by applying the coefficients to mean values of firm reliance on purchased inputs from and export markets in the target country.

26. Although this method provides for impact analysis at the microeconomic level of individual firms or other affected entities in the third State, it would not identify offsetting sales growth (or employment growth) enjoyed by the firms (entities) that did not rely heavily on the target country for inputs or markets. Nor would it capture the decline in confidence which may grip the entire economy of a neighbouring country as an indirect consequence of sanctions imposed on the target State. Moreover, this method does not distinguish the effect of sanctions from other adversities, unless supplemented by a separate estimate intended to disentangle the effects.

Gravity model of bilateral trade flows[8]

27. This is a model specifically designed to measure the dynamics of economic interaction, primarily bilateral trade

flows, between any two countries, e.g., the sender (third) State and the target State. Applying a common statistical technique, known as "ordinary least squares" regression analysis, to the "gravity model" allows the researcher to isolate the direct and indirect effects of sanctions on bilateral trade flows while holding other factors constant. In this method, large data sets are used to estimate parameters that describe the basic forces which determine the magnitude of bilateral merchandise trade (imports and exports). Additional independent variables are then added to reflect the existence, duration and strength of economic sanctions. Thus, the obtained parameters for both sets of independent variables in the regression can be used to calculate the predicted percentage reduction in bilateral merchandise trade resulting from sanctions. Although the focus is on trade in goods, this method would also capture effects of financial sanctions to the extent that they reduce trade by denying investment, foreign exchange or credit to the target country, and by possibly raising the cost of credit to the affected third State.

28. However, in practical application of this method, some important caveats should be duly noted. In the first instance, the use of predicted percentage coefficients to assess a specific episode requires prior classification of the severity of sanctions in question. Thus, taking an average of parameter estimates for the years 1985, 1990 and 1995, a recent study of the impact of sanctions on the United States' exports found that "limited" sanctions reduced bilateral trade by 27 per cent from the level that would otherwise have been observed; "moderate" sanctions resulted in the decline of bilateral trade by 36 per cent; and "extensive" sanctions accounted for a 91 per cent drop in exports.[8] Moreover, the model does not permit calculation of offsetting trade flows that may have been induced by bilateral trade losses with the target country; nor does it purport to calculate losses in domestic output cascading from lost trade. Furthermore, as with all statistically estimated parameters, the predicted trade losses have an associated error term of some 10 percentage points to the mean prediction.

Regression equation of income shocks

29. The logic behind this method is that the effect of a contraction in the target State's economy (i.e., a substantial income shock from discrete causes, such as sanctions) on the third State's income will vary according to the relative importance of the former in the total trade of the latter and will tend to become smaller over time. Thus, the first step is to collect data on a large number of adverse episodes and then devise a regression equation to estimate the induced change in the third country's gross domestic product (GDP). Accordingly, independent variables will take the form of interacted variables between (a) the share of bilateral trade with the target country in the third State's GDP prior to the shock, and (b) the percentage change (i.e., decline) in real GDP of the target country, taken at a certain time following the initiation of sanctions. It is expected that the larger the proportion of trade with the target country in the third State's GDP, the more important effect the drop in the GDP of the former will have on the output in the latter, especially in the initial period after the imposition of sanctions. However, as time goes on, the affected third State should find ways to adjust to its severed economic contacts with the target State. Therefore, the estimated parameters purport to indicate, in diminishing coefficient values, the current year and lagged year effects of income shocks.

30. This method seeks to provide a more comprehensive analysis since the variables in the regression reflect both trade losses and domestic output losses, taking into account various external and internal offsets. However, the resulting calculations cannot be traced to particular events or affected entities in the episode in question because the parameters are estimated as averages derived from a large number of similar but not identical episodes of income shocks.

Analytic hierarchy process for perception surveys[9]

31. As a practical tool for conducting a perception survey of the impact of sanctions, this method seeks to: (a) capture intangible variables, such as political and social factors; (b) measure the benefits and costs of several options, in order to avoid overstatement in judgements; (c) quantify inconsistent perceptions but still produce consistent ranking of priority; (d) incorporate indirect and second-round effects; and (e) integrate the incurred consequences with policy responses or measures of assistance. Although it can be argued that this method has solid theoretical and mathematical foundations, its practical application does not require long series data.

32. Basically, there are two major steps to be taken: the first step is to construct a hierarchy to synthesize the problems at hand; the second is to measure the priority ranking of each attribute in the hierarchy, by using a scaling range (e.g., 1 to 9). A typical hierarchy for impact analysis ("impact hierarchy") consists of several levels, including the one distinguishing the direct and indirect effects of sanctions. In designing the hierarchy for a particular case, there is ample flexibility for determining the number of attributes in each level, as well as the number of levels in the hierarchy. However, the longer the hierarchy, the more time-consuming the calculation will be. Having identified the

critical impact variables at the bottom level of the hierarchy, the next hierarchy ("response hierarchy") would have to fuse those variables with various factors considered crucial in scrutinizing the relevant measures of assistance to the affected third country.

33. Since human judgements are the main inputs in this method, there is a risk of overstatement (i.e., exaggerating the damaging effects of sanctions). To overcome such a predicament, a benefit/cost principle can be applied. To this end, two "response hierarchies" are to be constructed, one for the benefit and another for the cost, of taking alternative measures. These measures are catalogued at the bottom level of both hierarchies in order to estimate both the benefits and the costs of each alternative measure of assistance. The benefit/cost ratio will then be used as the criterion to make the ultimate decision. The ratio of two ordinal scales is taken in this case due to the fact that the scales being used in measuring the priority ranking of each attribute in the hierarchy are ratio scales obtained through a pair-wise comparison. The accuracy of the final results is tested by measuring the degree of inconsistency calculated from the judgement inputs. The test of robustness may be conducted by running a sensitivity analysis, without requiring additional information.

34. Although all of the above-mentioned methods may be useful in assessing the effects of sanctions on non-target States, the expert group felt that the choice of applicable method(s) will depend on particular circumstances of the affected State(s) in the context of specific sanctions regime(s). Ideally, as many of the methods as feasible should be attempted to satisfy as many analytical criteria as possible. However, the availability of data and the cost of analysis may impose serious limitations to applying some of the bottom-up and top-down methods described above. Moreover, specific features of the sanctions regime and particular conditions in some affected countries, stemming from the diversity and intensity of its suspended links with the target State (e.g., as a result of interruption of close commercial, financial, institutional, transport and infrastructural relationships), may make it necessary to undertake on-site or field assessment in order to properly grasp and fully evaluate a variety of adverse effects. It was argued that for most severely affected neighbouring countries on-site visits by ad hoc assessment missions would be unavoidable.

B. Exploring innovative and practical measures of international assistance that could be provided to third States affected by the application of sanctions

35. In considering this issue, the expert group discussed a broad range of ideas and proposals aimed at minimizing the collateral damage of sanctions and providing practical assistance to third States, in particular developing countries, which would help them to cope with the special economic problems arising from the application of sanctions. To this end, it reviewed the recent practice of international responses to the appeals for assistance on behalf of the affected third States, as summarized in the previous reports of the Secretary-General on the subject.[10] Attention was paid to both financial and non-financial measures of assistance that could be undertaken on bilateral and multilateral levels to insulate, to the extent possible, the affected third countries.

1. General considerations

36. The expert group stressed the concept of burden-sharing and equitable distribution of costs, as reflected in Articles 49 and 50 of the Charter of the United Nations. It was agreed that this concept is relevant to both minimizing collateral damage and encouraging full cooperation in implementation of sanctions.[11] Recent experience has shown that in practical terms, donor motivation to provide assistance to third States is largely a product of concern for the strict implementation of sanctions. On the other hand, practical and timely assistance to third States affected by the application of sanctions would further contribute to an effective and comprehensive approach by the international community to sanctions imposed by the Security Council. Thus, measures of assistance that incorporate elements of improved capacity for enforcement of sanctions are more likely to commend themselves to external donors providing assistance to the affected third States.

37. The group felt that the cost of implementing sanctions should be viewed as the opportunity cost of a possible alternative to an international military action or a peacekeeping operation. The costs of such military or peacekeeping operations are internationally shared, either by voluntary or assessed contributions. Similarly, the cost of carrying out preventive or enforcement measures, such as economic sanctions, particularly the consequences for affected developing countries, should be borne by the international community on a more equitable basis. It was expected that the major industrial countries, as well as other

high-income countries, would recognize and accept their special responsibility in this regard.

2. Action to minimize collateral damage of sanctions

38. In the first instance, the expert group considered possible measures that could be taken prior to or shortly after the imposition of sanctions with a view to enhancing their political impact and minimizing their collateral damage, particularly the secondary adverse effects on third States. Proposals on such non-financial and largely administrative measures include (a) prior study, including assessment of possible adverse effects on third States; (b) consultations with potentially vulnerable non-target States; (c) consideration of possible exemptions for most seriously affected countries; (d) design of "targeted measures" aimed at the offender (e.g., ruling elites) rather than civil society as a whole; (e) further improvement of procedures and methods of work of the Security Council and its sanctions committees.[12]

Prior studies and consultations

39. The group felt that it was essential that the Security Council should give careful consideration to the potential effects of sanctions both on the target State (primarily humanitarian impacts) and on third countries before adopting a resolution imposing such measures under Chapter VII of the Charter of the United Nations. The Council would greatly benefit from a prior study of the potential effects of intended enforcement or preventive measures, as well as prior consultations with the non-target countries that are most likely to be affected by such measures. As a result, some of the collateral damage to neighbouring and other third States could be avoided, without undermining the effectiveness of the contemplated sanctions regime. Further provision could be also made for monitoring the sanctions effects and introducing adjustments, as appropriate.[13]

Exemptions

40. The group recalled that it has been the practice of the Security Council and/or its sanctions committees to grant partial or limited exemptions permitting certain transactions with the target State for specific commodities or services of crucial importance to neighbouring and other third countries.[14] Provision for such exemptions has been made under exceptional circumstances, on a case-by-case basis and under appropriate forms of monitoring and control. For example, in the case of the Iraqi sanctions, the relevant committee authorized, on an exceptional basis, Jordan's request for resumption of imports of oil and oil derivatives from Iraq. In the case of the Yugoslav sanctions regime, such examples include, *inter alia*, specific requests from Albania (transit of electric energy), Hungary (supply of fuel for ice-breakers on the Danube), Romania (oil deliveries for the Iron Gates I system on the Danube) and the former Yugoslav Republic of Macedonia (transit traffic). Thus, in certain cases appropriate and timely exemptions would obviate the need for further offsetting or adjustment measures for the damage already sustained or the losses and costs actually incurred by non-target States.

Targeted sanctions

41. Targeted sanctions, such as personal assets freezes, visa-based travel restrictions and exclusion from international forums, seek to deprive ruling elites of important values, thus bringing about the required policy changes without hurting the civilian population in the target country or affecting the economies of third States. Such measures commend themselves on grounds of equity and probable efficacy, and their merits therefore deserve priority consideration in designing a sanctions regime.[15]

3. Measures of assistance to affected third States

42. Further, the expert group discussed practical measures of assistance that could be provided by the relevant organizations both within and outside the United Nations system to third States affected by the application of sanctions. It was understood that such measures should be related to the nature of the special economic problems confronting the affected third States in a particular sanctions episode, as well as the specific mandates, existing facilities and available resources of the organizations concerned. Comprehensive sanctions, such as those imposed on Iraq or former Yugoslavia, would require a broad-based international response, involving the international financial and trade institutions, United Nations development programmes and specialized agencies, as well as other relevant international and regional organizations.

International financial and trade institutions

43. The expert group observed that the international financial institutions, both at the global and regional levels, possess, in principle, the required expertise, existing instruments and financial resources to assist member States in coping with such external economic shocks as the imposition of sanctions. Although the International Monetary Fund (IMF) is well placed to provide financial assistance under its existing facilities to any member

experiencing balance of payments difficulties, the World Bank and the regional development banks are well equipped to address, within the priorities of the investment programmes in the countries concerned, various sectoral and other development problems. In emergency situations, those institutions are in a position to take prompt action to adapt and expand their operations, facilities and policies to provide financial support to the most seriously affected countries. For example, in response to the Gulf crisis, IMF took a number of practical measures, including the introduction of a temporary "oil element" into the compensatory and contingency financing facility to compensate member countries for sharp, unexpected rises in the cost of their imports of crude petroleum, petroleum products and natural gas; provision for quicker access to and broader coverage of compensatory financing in the wake of a steep fall in export receipts, including shortfalls in earnings from pipelines, canal transit fees, shipping, transportation, construction and insurance; and other actions to increase flexibility and availability of financing to affected countries reinforcing their adjustment efforts.[16] At the same time, the World Bank and the regional development banks undertook, *inter alia*, to accelerate disbursements from existing loans and credits, increase their cost-sharing limits in ongoing and new projects, and expand concessionary lending to affected countries. In addition, the Fund and the Bank have the experience in mobilizing and coordinating (e.g., in the context of consultative group meetings) financial support from a variety of international and bilateral donors, including Governments and private financial institutions, as well as the expertise to provide technical assistance.

44. The group agreed that the international financial institutions should play the lead role in both assessing the economic consequences actually incurred by third States as a result of the United Nations-imposed sanctions and providing financial assistance to those affected countries in order to enable them to overcome their economic, financial and trade difficulties resulting from the implementation of sanctions. In order to address more specifically and directly the special economic problems of third States affected by the application of sanctions, IMF and the World Bank may wish to consider establishing a special mechanism, to be approved by their respective governing bodies, which would allow these institutions to mobilize new and additional financial resources from all potential funding sources in order to provide emergency financial support to those affected third States on exceptional and concessionary terms, without diverting resources from regular assistance programmes for development. It is essential for ensuring the success of sanctions adjustment efforts that this mechanism provide for special financial assistance that would go above and beyond the traditional interventions on account of macroeconomic imbalances or structural adjustment programmes, and would address specifically and directly the special economic problems and needs arising from the application of sanctions. Financial assistance may need to be supplemented by non-financial measures of trade promotion, including granting of special trade preferences, adjustment of tariffs, allocation of quotas, special commodity purchase agreements and finding new markets. The World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) can provide the necessary technical assistance in this regard.

United Nations development programmes and agencies

45. The expert group felt that the United Nations development programmes and specialized agencies concerned, such as the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the Office of the United Nations High Commissioner for Refugees (UNHCR), the World Food Programme (WFP), the International Labour Organization (ILO), the Food and Agriculture Organization of the United Nations (FAO), and the World Health Organization (WHO), in collaboration with other relevant intergovernmental and non-governmental organizations, should focus on providing emergency relief, as well as longer-term assistance to the affected third States to enable them to better cope with the social and humanitarian effects of sanctions. Accordingly, these bodies should have the primary responsibility for identifying and assessing the affected countries' particular problems and needs in those areas of concern and designing appropriate assistance measures. To this end, establishing ad hoc inter-agency arrangements and issuing consolidated inter-agency appeals to provide special assistance programmes, to be prepared and implemented under the auspices of the Office of the Coordinator for Humanitarian Affairs or UNDP, as appropriate, may serve as useful instruments to ensure proper coordination of agency programming, resource mobilization and assistance delivery efforts on behalf of affected third States. It is essential that such special assistance programmes be based on common, coherent strategies, identify the respective roles of different agencies involved and indicate their respective resource requirements. To the extent possible, these funding requirements should be met by the existing funds (e.g., special programme resources) of the bodies concerned and/or raised through special resource mobilization efforts, such as donor conferences. The UNDP resident coordinator

system can play an important part in ensuring field evaluation of potential and actual needs, as well as implementation of these special assistance programmes.

46. However, past experience shows that the appeals of the Secretary-General and resource mobilization efforts by the United Nations development programmes on behalf of third States affected by the sanctions imposed on Iraq and Yugoslavia have not evoked responses fully commensurate with the magnitude of the problems confronting those third States. Therefore, it was suggested that serious consideration be given to applying for this purpose the funding procedures similar to those adopted for peacekeeping operations. Such procedures would ensure the availability and predictability of funds that may be required to assist the affected third States in overcoming the social and humanitarian effects of sanctions.

Regional cooperation

47. The expert group stressed the importance of regional cooperation in alleviating the hardship incurred by the neighbouring States, in particular that associated with the enforcement of sanctions (i.e., secondary effects). Experience in the cases of sanctions against South Africa and Yugoslavia suggests that encouragement of regional cooperation and help with the costs of enforcement can be important strategies in mitigating collateral damage of sanctions. Regional initiatives not only pool information and encourage mutually beneficial cooperative arrangements but also bring prospective bilateral and multilateral donors together with affected countries and facilitate the development of an integrated approach.

48. Thus, an innovative feature in the Yugoslav case was the dispatch of sanctions assistance missions (SAMs) to seven countries in the region (Albania, Bulgaria, Croatia, Hungary, Romania, the former Yugoslav Republic of Macedonia and Ukraine), with their consent. As a joint Organization for Security and Cooperation in Europe/European Union operation, the SAM system involved professional customs officers giving on-the-ground advice on the implementation of sanctions, and at the same time helping facilitate legitimate trade at border-crossing points, thus serving the dual purpose of strengthening enforcement and mitigating some of the hardship experienced by States in the region. In another example from the same case, the OSCE initiative to convene a special meeting at Vienna in early 1994 to help affected States in the region to better cope with the effects of the sanctions resulted in identifying eight short-term projects to alleviate bottlenecks in traffic flow around former Yugoslavia. In this connection, the European Commission allocated 100 million ECUs for a longer-term programme of transport and infrastructure development in the region. In follow-up, two customs corridors were established to accelerate the transit of goods through selected border-crossing points.[17]

C. Conclusions and recommendations

49. In the light of its deliberations, the expert group concluded that the two items on its agenda, namely, developing a methodology for assessing the consequences actually incurred by third States as a result of preventive or enforcement measures, and exploring innovative and practical measures of international assistance to the affected third States, were closely interrelated and mutually complementary. It felt, therefore, that its recommendations should address both issues taken together in order to deal in a more comprehensive and effective way with the special economic problems of States affected by the application of sanctions. Accordingly, the group outlined a set of general guidelines for the whole process of assessing and alleviating the adverse effects of sanctions on third States. If accepted, the proposed approach would include a number of practical steps to be taken sequentially and to be applicable to all future cases of economic sanctions, although within each step there may be variations of procedures and measures on a case-by-case basis. The overall process/methodology is described below.

50. To facilitate the process of impact assessment, the group recommended drawing up a tentative list of potential effects of sanctions on third States. Obviously, such a list cannot be exhaustive and should be adjusted in each specific case, depending on the nature of sanctions, the structure and intensity of economic relations with the target country and other factors that may be particularly relevant (e.g., geography). These potential effects, both direct and indirect, may be grouped into three broad categories: (a) economic, trade and financial effects; (b) social and humanitarian effects, with particular reference to the most vulnerable social groups (e.g., migrants and displaced persons); and (c) secondary effects, which are usually associated with the problems of sanctions enforcement. The main elements of the proposed list are identified and discussed in paragraphs 13–20 above.

51. When considering the imposition of a sanctions regime, the Security Council may wish to request the Secretary-General to submit, within a short period of time (e.g., two weeks), an advance assessment of the potential impact of sanctions on the target country in particular on

third States. Based on available statistical data regarding external economic links of the target country, such a preliminary analysis may effectively predict the bulk of possible adverse effects of the intended measures on third countries, without prejudice to a more detailed assessment that may be needed at a later stage. It would also help to identify, on a tentative basis, those economies that are most vulnerable to the severe impact of sanctions. In turn, taking into account the concerns of States most likely to be seriously affected by such measures prior to their adoption would be an essential factor in ensuring the effectiveness of sanctions and minimizing collateral damage.

52. Following the imposition of sanctions, the Secretariat should be entrusted with the task of monitoring the effects of sanctions with a view to providing to the Security Council and its organs timely information and early assessments on the effects of the sanctions regime in third States that are or may be most seriously affected by the implementation of sanctions. The purpose of such assessments would be to advise the Council and its sanctions committee on specific needs and problems of those third States and present possible options so that, while maintaining the effectiveness of the sanctions regime, appropriate adjustments or partial changes may be introduced to the administration of the regime or the regime itself in order to mitigate the adverse effects on such States.

53. With regard to States invoking Article 50 of the Charter of the United Nations, the Secretariat should be prepared to provide technical assistance to such States, at their request, in preparing the explanatory materials to be attached to their requests for consultations with the Security Council with a view to finding a solution to their special economic problems arising from the implementation of sanctions. The tentative list of potential effects of sanctions on third States, with appropriate adjustments according to the specific features of the sanctions regime, may serve as a useful framework for national assessments, and would enable the Security Council to consider individual cases on a more standardized and comparable basis. The Council may also wish to request the Secretariat to provide additional information and analysis with regard to national assessments.

54. It is strongly recommended that in the most severe cases, the Secretary-General appoint a Special Representative to undertake, in collaboration with the Governments concerned, a full assessment of the consequences actually incurred by the specially affected countries as a result of carrying out the United Nations-imposed sanctions, and to identify appropriate and adequate measures of assistance to such States. To this end, the Special Representative should put in place an inter-agency arrangement or task force, which would consist of three subgroups, with the participation of representatives of the relevant international organizations both within and outside the United Nations system. Accordingly, one subgroup would be responsible for the matters related to evaluating and mitigating the economic, trade and financial effects of sanctions, and would therefore include representatives of the international financial and trade institutions, in particular the World Bank and IMF, which may also draw upon the expertise of UNCTAD, WTO and regional development banks, as required. The second subgroup would deal with the social and humanitarian effects of sanctions, and would include representatives of the United Nations development programmes and specialized agencies concerned, such as UNDP, UNICEF, UNHCR, WFP, ILO, FAO, and WHO, as well as other relevant intergovernmental and non-governmental organizations, as appropriate. The third subgroup, comprising officials from the relevant departments/offices of the Secretariat, would address the secondary effects of sanctions, by recommending appropriate amendments to the administration of sanctions regimes, partial or limited exemptions under exceptional circumstances and other non-financial measures with a view to maximizing the political impact of sanctions and minimizing their collateral damage. In its work, the latter group may also draw upon specialized expertise, both from inside and outside the United Nations system, in particular the regional organizations.

55. The above subgroups would have the primary responsibility for preparing the impact assessments and action-oriented proposals in their respective areas of competence. Depending on the nature of the problems and the availability of information, each subgroup would adopt an appropriate methodology for assessing the particular category of effects under its purview. As summarized and analysed in paragraphs 21–34 above, the five practical methods of impact assessment, namely: (a) time series analysis of balance of payments changes; (b) stratified sample survey of firms; (c) gravity model of bilateral trade flows; (d) regression equation of income shocks; and (e) analytic hierarchy process for perception surveys, or any combination thereof, provide needed flexibility in this regard.

56. For most severely affected third countries, the task of impact assessment may be best served by special fact-finding or evaluation missions being dispatched on the ground. In such cases, on-site visits by special assessment missions would be of critical importance for estimating the full range of adverse effects and special economic problems arising

from the implementation of sanctions, ascertaining the urgent needs and particular requirements for international support, and elaborating proposals for special remedial or assistance measures. This task would be facilitated by close collaboration with national and local authorities and non-governmental organizations, as appropriate, in the affected third States, and effective utilization of country presence, where available, of representatives of the United Nations system (e.g., resident coordinators) and other international organizations.

57. The Special Representative would have the ultimate responsibility for the whole process of impact assessment, including the tasks of coordinating the work of the three subgroups referred to in paragraph 54 above and combining their assessments into an overall report to be submitted to the Secretary-General. This report should also include, in all the three integral parts prepared by the subgroups, concrete proposals on practical measures of international assistance to the affected third States, as appropriate (see paras. 38–48 above). In addition, the report should reflect, to the extent possible, bilateral assistance initiatives, as well as relevant contributions contemplated by the institutions outside the United Nations system, particularly at the regional level. To this end, the Special Representative should hold consultations with the regional and other concerned organizations, as required. The Special Representative may be further requested to coordinate the follow-up assistance activities on behalf of the affected countries or regions.

V. Recent developments related to the role of the General Assembly, the Economic and Social Council, and the Committee for Programme and Coordination in the area of assistance to third States affected by the application of sanctions

58. Pursuant to paragraph 5 of General Assembly resolution 52/162, the General Assembly, the Economic and Social Council and the Committee for Programme and Coordination have continued to play their respective roles in mobilizing and monitoring, as appropriate, the economic assistance efforts by the international community and the United Nations system to States confronted with special economic problems arising from the carrying out of preventive or enforcement measures imposed by the Security Council and, as appropriate, in identifying solutions to the special economic problems of those States.

59. At its fifty-second session, the General Assembly had before it the report of the Secretary-General on economic assistance to States affected by the implementation of the Security Council resolutions imposing sanctions on the Federal Republic of Yugoslavia (A/52/535). The report contained updated information on bilateral and multilateral assistance provided, in 1996–1997, to the affected countries, primarily in the fields of balance of payments support, transport and infrastructure development and assistance in trade and investment promotion. Particular reference was made in the report to the relevant activities in the affected countries of FAO, the World Bank, IMF, the United Nations Industrial Development Organization, UNCTAD and UNDP, as well as the European Union and the European Bank for Reconstruction and Development. In addition, the report provided updated information received from the World Bank, UNICEF, WFP and UNHCR on the participation of suppliers from the affected countries in the post-conflict reconstruction, rehabilitation and development of former Yugoslavia.

60. In its resolution 52/169 H of 16 December 1997, the General Assembly, *inter alia*, renewed its invitation to all States and the relevant international organizations, both within and outside the United Nations system, in particular the international financial institutions, to continue to take into account the special needs of the affected States in providing assistance to them during the transition period following the lifting of the sanctions; encouraged the affected States of the region to continue the process of multilateral regional cooperation in such fields as cross-border infrastructure projects and the promotion of trade and investment, thus alleviating the adverse impact of the sanctions; urged the relevant international organizations to take appropriate steps in order to broaden access for suppliers from the affected countries and to ensure their active participation in the process of post-conflict reconstruction and rehabilitation of the former Yugoslavia; and requested the Secretary-General to report to the Assembly at its fifty-fourth session on the implementation of the present resolution.

61. The Committee for Programme and Coordination, at its thirty-eighth session held from 1 to 26 June 1998, considered the annual overview report of the Administrative Committee on Coordination for 1997 (E/1998/21), which included, in accordance with the request contained in paragraph 338 of the report of the Committee for Programme and Coordination on the work of its of its thirty-seventh session (see A/52/16), a chapter entitled "Assistance to countries invoking Article 50 of the Charter of the United Nations". During the discussion, support was expressed for

the measures being undertaken within the United Nations system in providing assistance to countries invoking Article 50 of the Charter. It was indicated that many of those countries were doubly penalized by the application of sanctions, and enquiries were made regarding the ad hoc expert group meeting called for in General Assembly resolution 52/162 (see A/53/16 (Part I), para.278).

VI. Coordination of information regarding international assistance available to third States affected by the application of sanctions, in cooperation with the relevant organizations and institutions inside and outside the United Nations system

62. In the course of the preparations for the ad hoc expert group meeting referred to in section IV above, the Under-Secretary-General for Economic and Social Affairs addressed letters to the executive heads of the relevant development programmes and agencies, including the international financial and trade institutions and regional organizations concerned, both inside and outside the United Nations system, inviting their representatives to attend the meeting as observers and requesting any views or background information that they might have on the various issues covered in paragraphs 4 and 6 of General Assembly resolution 52/162.

63. In their replies, those organizations and institutions reiterated their awareness and concern about the special economic and other consequences incurred by third States as a result of sanctions imposed under Chapter VII of the Charter of the United Nations. A number of international and regional organizations from inside and outside the United Nations system sent their observers to the ad hoc expert group meeting, while the others expressed their interest in being informed about the meeting's proceedings and results and in maintaining collaborative contacts with the Department of Economic and Social Affairs of the Secretariat regarding the follow-up activities. As for the implementation of paragraph 6 of the resolution, several organizations referred to their submissions for the preparation of the previous report of the Secretary-General on the subject (see A/52/308, sects. III and IV).

64. In addition, the Economic Commission for Europe (ECE) emphasized the importance of subregional initiatives conceived to foster the spirit of cooperation and good neighbourly relations in South-eastern Europe. For example, the South East European Cooperative Initiative (SECI), launched in December 1996 by the United States, seeks to provide support to subregional cooperation projects aimed at addressing common economic and environmental problems of the countries concerned. The important feature of SECI is that it is not a massive aid programme but rather a self-help programme in which countries of the region themselves decide how they can work more closely with each other and what concrete action is required to mitigate shared problems. This cooperation takes the form of specific projects comprising two common dimensions: (a) harmonization of policies, based on the relevant ECE conventions, norms, standards and guidelines that address various transboundary issues; and (b) development of the necessary conditions for funding by the private sector or financial institutions. Participation of the European Commission, the World Bank and the European Bank for Reconstruction and Development in the project group meetings also helps to ensure consistent approaches and avoid duplication of efforts. In the view of ECE, this initiative is both practical and to some extent innovative, and could therefore be applied to other regions, as appropriate.

Notes

[1] General Assembly resolutions 50/51 of 11 December 1995, 51/208 of 17 December 1996 and 52/162 of 15 December 1997 on the implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions; 47/120 A of 18 December 1992 and 47/120 B of 20 September 1993 on an agenda for peace; and 51/242 of 15 September 1997 on the supplement to an agenda for peace.

[2] Reports of the Secretary-General on the question of special economic problems of States as a result of sanctions imposed under Chapter VII of the Charter of the United Nations (A/48/573-S/26705); on economic assistance to States affected by the implementation of the Security Council resolutions imposing sanctions on the Federal Republic of Yugoslavia (A/49/356, A/50/423, A/51/356 and A/52/535); on the implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions (A/50/361, A/51/317 and A/52/308); and on the supplement to an agenda for peace (A/50/60-S/1995/1).

[3] The 1994, 1995, 1996, 1997 and 1998 reports of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization (A/49/33, A/50/33, A/51/33, A/52/33 and A/53/33).

[4] See reports of the Secretary-General on the question of special economic problems of States as a result of sanctions imposed under Chapter VII of the Charter of the United

Nations (A/48/573-S/26705, paras. 70-86) and on the implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions (A/51/317, paras. 16-34).

[5] See report of the Secretary-General on the implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions (A/52/308, paras. 6-12).

[6] For a breakdown of main categories of costs for senders of sanctions, see Margaret P. Doxey, *International Sanctions in Contemporary Perspective*, second edition (London, MacMillan/New York, St. Martin's Press, 1996), chap. 4, table 4.1, p. 68.

[7] For an illustration of the application of this method, see a paper prepared by the staff of the International Monetary Fund, "Impact of implementing United Nations sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro)", IMF document EBS/94/229 (December 1994).

[8] For a more detailed discussion and an illustration of the practical application of this method, see a working paper by Gary Clyde Hufbauer, Kimberly Ann Elliott, Tess Cyrus and Elizabeth Winston, "US economic sanctions: their impact on trade, jobs, and wages" (Washington, D.C., Institute for International Economics, April 1997).

[9] For a more detailed explanation of this method, see Iwan J. Azis, "The use of the analytic hierarchy process in conflict analysis and an extension", *Peace Economics, Peace Science and Public Policy*, vol. 3, No. 3 (1997), and Iwan J. Azis, "Resolving possible tensions in ASEAN's future trade: using 'analytic hierarchy process'", in *ASEAN Economic Bulletin* (Singapore, Institute of Southeast Asian Studies, March 1997), vol. 12, No. 3.

[10] See reports of the Secretary-General on the question of special economic problems of States as a result of sanctions imposed under Chapter VII of the Charter of the United Nations (A/48/573-S/26705, paras. 107-125), and on economic assistance to States affected by the implementation of the Security Council resolutions imposing sanctions on the Federal Republic of Yugoslavia (A/49/356, A/50/423, A/51/356 and A/52/535).

[11] For a more detailed analysis of the concept of burden-sharing and costs of sanctions, see Margaret P. Doxey, *United Nations Sanctions: Current Policy Issues* (Halifax, Dalhousie University, 1997), chap. 1; and Doxey, op. cit., chap. 4.

[12] See also report of the Secretary-General on the implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the implementation of sanctions (A/50/361, paras. 4-38).

[13] For details of possible frameworks and indicators for preassessing and monitoring humanitarian impacts of sanctions, see *Political Gain and Civilian Pain: Humanitarian Impacts of Economic Sanctions*, Thomas G. Weiss, David Cortright, George A. Lopez and Larry Minear, eds. (Landham, Maryland, Rowman & Littlefield Publishers, 1997), chap. 2; and Larry Minear, David Cortright, Julia Wagler, George A. Lopez and Thomas G. Weiss, "Toward more humane and effective sanctions management: enhancing the capacity of the United Nations system", study commissioned by the United Nations Department of Humanitarian Affairs, October 1997.

[14] See reports of the Secretary-General on the implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions (A/50/361, paras. 30-38); and on economic assistance to States affected by the implementation of the Security Council resolutions imposing sanctions on the Federal Republic of Yugoslavia (A/50/423, paras. 5-17; and A/51/356, paras. 9-11).

[15] See also Margaret P. Doxey, *United Nations Sanctions: Current Policy Issues* (Halifax, Dalhousie University, 1997), chap. 3.

[16] For details, see David M. Cheney, *Dealing with the Unexpected: The IMF's Response to the Middle East Crisis* (Washington, D.C., International Monetary Fund, August 1991).

[17] See reports of the Secretary-General on economic assistance to States affected by the implementation of the Security Council resolutions imposing sanctions on the Federal Republic of Yugoslavia (A/49/356, paras. 68-75; and A/50/423, paras. 63-68).